

Contribution of Umwalimu Savings and Credit Cooperative (Umwalimu Sacco) On Socio –Economic Development of Teachers in Rwanda

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Abstract- This study seeks to assess the contribution of Umwalimu Saving and Credit Cooperative (Umwalimu Sacco) on socio-economic development of teachers in Rwanda. Specifically the study was guided by the following objectives: to assess the contribution of saving on Umwalimu Sacco that increase the socio-economic development of teachers in Rwanda; to examine the impact of loan/credit provided by Umwalimu socio-economic development of teachers in Rwanda and the last determine the importance of teachers' cooperatives supported by Umwalimu Sacco on socio-welfare -economic development of teachers in Rwanda.

The study used a convenient sample that included 90 respondents out of 1276 from Primary and Secondly Teachers members of Umwalimu Sacco in Gasabo District, Officials of Umwalimu Sacco and finally the officials of Gasabo District. The survey was conducted anonymously through the Internet and participants were asked to answer a researcher-developed questionnaire such as the contribution of saving on Umwalimu Sacco; the importance of loan/credit and the impact of teachers' cooperative on socio-economic development of teachers in Rwanda?.

The researcher was followed the Qualitative research paradigm as a systematic subject approach used to describe life Experiences and give meaning with a goal of gaining insight; explore the depth, richness, and inherent complexity in the phenomenon through specific approach which was a Case study that was described in-depth the experience of one person, family, group, community or institution with the method of direct observation and interaction on the subject. Data has been obtained from the officials of the Umwalimu Sacco; Teachers of 121 Primary Schools and 82 for Secondly Schools in Gasabo District, Officials of the Umwalimu Sacco and finally officials of the Gasabo District; This study demonstrated the significant impact of Umwalimu Sacco on socio-economic development. However, the results indicated that there is a significant impact on socio-economic development. Data was mainly collected using questionnaires and content analysis has been done to make meaning to the collected qualitative data so as to make conclusions and recommendations on the contribution impact of Umwalimu Saving and credit cooperative (Umwalimu Sacco) on increasing the socio-welfare of in Rwanda and regression and correlation model has been used.

Index Terms- Saving; Loan and Cooperative

I. INTRODUCTION

For many years, the concept of microfinance programs have been increasingly established in a number of countries as a means to mitigate the key constraint of sustainable access to financial resources faced by micro and small enterprises; Microfinance programs extend financial services ranging broadly across savings, loans, payment services, money transfers, and insurance to enterprises generally owned by poor and low income households, a group long thought not to have the ability to save nor to utilize credit productively and repay loans at non-subsidized interest rates (Thouraya, T. et al. 2013).

According to ZviGlor, (1989) the first Savings and Credit Cooperative were established in mid-19th Century, mainly in Germany by two men considered as the founding fathers of the credit cooperative movements: Herman Schultze-Delitsche, who established a credit cooperative for minor artisans and the urban middle classes, and FriedrichReifeisen, the founder of the rural credit. After consume cooperatives, the savings and credit cooperatives is the common type of cooperatives to be found in the modern world, including the Third world (Munyiri, 2006).

For Getachew, M., T. (2006), consultant for Chemonics International Inc. in his report submitted in 2006, demonstrated that Sacco' Societies have been developed to meet the fundamental human need to find a way of savings and borrowing methods without taking risks and without handing over too much power to a money lender. The Savings and Credits movements started in 1846 in South Germany at the time of agriculture crisis and continue heavy drought in Europe, (ibid 2006). As far as Luigi, L. (1898) who established Sacco in Italy by combined the principles of the two German predecessors founders of Sacco.

Though in some countries of Africa, the Savings and Credit Cooperatives were promoted between 1965 and 1989; The first Sacco was introduced by Father John Neculty in Ghana with purpose to assist villagers improve their economic conditions (Fredrick, O., W. 2013). The African Confederation of Cooperatives saving and Credit Associations (ACCOSCA) was formed in Kenya in 1968 having goal to attain sustainable and viable Saccos in Africa.

In recent years, in developing countries consideration of the potential of Savings and Credits Cooperatives and Credit Unions as tool for sustainable poverty alleviation has been increasingly recognized (Jonathan, M, et al. 2002). The first forms of cooperatives were introduced to Rwanda in 1949 by the colonial masters but Credit and Savings Cooperatives started as early as

1988 and were first legally recognized by law number 31/1988 of 1988, (RCA, 2009). Later law number 08/1999, of June 1999, regulating the banking and non-banking financial institutions in Rwanda affirmed the role of savings and credit cooperatives in Rwanda (ibid 2009). Such institutions were established under the instructions and supervision of National bank of Rwanda (BNR, 2008).

Thus, to enhance the socio-economic development of Rwandan community in general, and the teachers' welfare in particular, the government of Rwanda established a teachers' cooperative in the name of "Umwalimu Sacco" that grants loans to teachers to enable them to set up small income generating projects to supplement to their regular professional income (Ntambara, D. 2012).

It is from this experience that the researcher took an interest to verify how teachers are affected at the level of GDP Per capita and household income earned through Umwalimu Sacco Cooperative as the strategy adopted in improving teachers additional source of income, and promoting their economic well being.

In Rwanda, teachers are low income earners due to their minimum salary so that it is very difficult to satisfy their daily economic needs. Though there is always budget constraint, teachers' wages should be comparable to those of other workers of other sectors with the same level of qualifications (e.g. nurses) whom they meet at the market demand and whose salary is larger than that of teachers.

During the decades ago, Rwanda budget was limited to insufficiency teachers' salaries; Due to the lack of sufficient financial incentives, it was necessary to implement a combination of benefits and inducements as supplements to the low wages earned by teachers especially those of primary and secondary schools by creating Umwalimu Savings and Credit Cooperative, referred to as Umwalimu Sacco, as a Savings and Credit Cooperative for Rwandan teachers, (Umwalimu Sacco Report, 2012). This was one among other government's initiatives aimed of contributing to teacher retention, stability and enhancing teachers' socio-economic development constraints. The alternative chosen by the government was therefore that of supporting teacher's self-help initiatives. This requires teachers to act in collaboration with microfinance institutions especially Umwalimu Sacco as one way that should assist them on savings and cooperative in order to create supplement activities generating additional income (Umwalimu Sacco Business Plan, 2009). In addition, the governments of Rwanda views Umwalimu Sacco as a financial intermediary for teachers to expand access to income generating activities, develop their business, increase savings and investments, and improve social well-being with special emphasis on, health care, livestock, payment of school fees etc.

According to teacher development and management policy, TDMP (2007), some teachers who are qualified start looking for greener pastures due to lack of adequate financial motivation, poor salary schemes and undefined status vis a vis to other civil servants; Therefore, there is a need for teacher motivation by creating and straightening other inducements to supplement low wages and other advantages.

Delivering financial services through Savings and Credit Cooperatives Society may essentially classify the needs to grant

loans oriented towards social needs and small business. The members become the beneficiaries, sole savers and sole decision makers, which makes them integrated and effective tools for rural development. The establishment and growth of Sacco' should be regarded as one of the important instruments for economic, social and cultural development as well as human advancement (Stephen, 2011).

Thus, basing on such idea this research takes an interest to assess the impact of UmwalimuSacco as a Savings and Credits Cooperatives on increasing the socio welfare of teachers in Rwanda and focusing on Umwalimu Sacco located in Kigali City.

A total of 90 survey questionnaires out of 1276 members of of Primary and Secondary Teachers members of Umwalimu Sacco, Gasabo District, officials of the Gasabo District were obtained. From Primary a total of 45 surveys were collected, in which the majority of respondents (65%) were males and 35% were females. The mean average age was 40; the age range for teachers was between 20 and 65 years old. The level of education for Teachers in Rwanda included 46.7% who had a bachelor's degree and 4.3% who had a master's degree.

Literature review

Different theories and models from Literature were used that assisted the conceptual relationship between Umwalimu Sacco and Socio-economic development of Teachers in Rwanda. The literature review helped the researcher to know what others scholars were demonstrated on the study as theoretical review and what they brought out as solutions and recommendations.

Theoretical Review

During this study, Theoretical literature was based on as thoughts and opinions of how Societies view were interpreted Umwalimu Sacco values. Different theories and models from various scholars were based on that was backed to assess the Contribution of Umwalimu Sacco on socio-economic development such as:

- The Theory of Life Cycle Saving and Investing(Zvi B., et al. 2007)
- Theory of loan syndication ([Scoones](#), D. et al. 2005)
- Cooperative Theory: New Approaches (Randall, E. T. et al. 1987)

Empirical review

There have been some studies regarding the contribution of Umwalimusacco on economic development, but no previous research has been found regarding the impact of Umwalimusacco on socio-economic development of teachers in Rwanda organizational such as in Gasabo District. Therefore, the purpose of this study is to report across specific Hispanic groups such as primary and Secondly schools of Gasabo District, in order to better understand the impact of Umwalimu Sacco on socio-economic development of Teachers in Rwanda.

Contribution of saving on Umwalimu Saccoon socio-economic development of Teachers in Rwanda.

The Economic theory predicts that the absolute amount of saving should be increased with income. This is because people with more income have more resources available to save; Theory

also predicts that saving is related to income and the savings rate will increase with income (Deaton, 1992b) Andrew et al (1998), argued that one benefit from an increase in income is that in addition to enjoyed consumption today, an individual can also plan for the future consumption by saving a part of the current income.

However, in developing countries like Rwanda to break from poverty trap to a self-sustained growth in generating enough saving is still difficult; Low income earners need microfinance institutions like Saccos that constitute an efficient financial intermediation system in economic growth process. Rwandan teachers intend to improve their economic welfare if their increment income is injected in savings. This can improve capital formation for low income earners and as a result increase in investment that leads to the improvement in income.

Savings has a close relationship with wealth. Savings empowers teachers by shifting the savers' perception of their situations from "a day-to-day struggle to survive to a longer term view based on planning with a growing cushion of savings".

The advantages of the loan/credit provided by Umwalimu Sacco on socio-economic development of Teachers in Rwanda

According to Robinson, M. (2001), among the active poor of the developing world, there is a strong demand for small scale commercial services for both credit and savings. Where available, these and other financial services help low income people improve household and enterprise management, increase productivity, smooth income flows and consumption cost, enlarge and diversify their microbusiness and increase their income.

Household income of families with access to credit is significantly higher than for comparable households without access to credit. Poor households that have had access to microfinance services show significant increases in asset accumulation, providing them with both a safety net against misadventure as well as resources for self- help investment. Increased household income improves nutrition, and improves the probability that children from poor families will go to school (Versluysen, E.1999).

Therefore, we are concerned with teachers as households and how they are affected economically in the level of income on increasing their socio-welfare through loans provided by Umwalimu Sacco. Thus, there are the impacts that can certainly provide the teachers with increased access to working capital and

other financial services through Umwalimu Sacco; they reduce risks and protect them from life's financial shocks and helping to stabilize their income.

The importance of teachers' cooperative supported by Umwalimu Sacco on socio-economic development of Teachers in Rwanda

Due to their democratic organisation and their economic orientation, cooperatives contribute significantly to social integration, job creation and the reduction of poverty. Cooperatives are thus stabilizing regional economic cycles and can generate regional employment. The United Nations general assembly declared 2012 as the international year of cooperatives and thus acknowledges their worldwide impact on economic and social development. (Georg, M. 2012)

According to Mellor (2009), the high cost and low profit margins which discourage formal banks from providing financial services to low income and poor people; when individuals recognize that individually they cannot access financial services they badly need, they decide to collaborate and cooperate with others who have the same needs and together they become members of this special group of people with a common need and goal of self service.

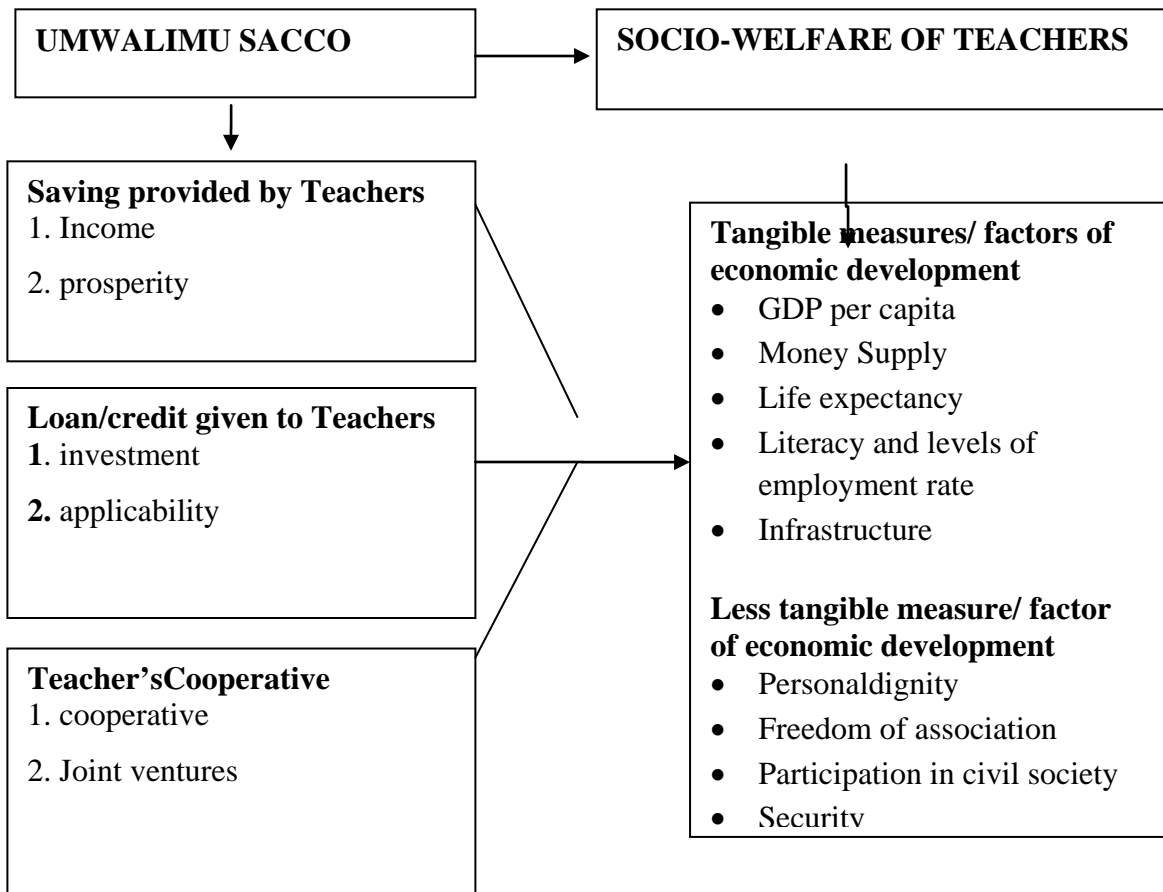
It is from above opinion that Umwalimu Sacco has focused on mobilizing teachers to form cooperatives at the school centers and come up with income generating projects which Umwalimu Sacco finance. (Example of a cargo truck that was bought in the loan from Umwalimu Sacco to the Teachers' Cooperative at St Joseph Secondary School in Rwamagana District, Eastern Province); The security of loan depends on the type of loan given and the level of risk related. However, it is possible for members to get a collateral free large loan when they form licensed cooperative, (Usaccoaction plan. 2015).

Conceptual framework

The main variable of interest is the study of dependent variable growth of corporate entrepreneurs which is measured by amount of credits from microfinance, good working environment, to meet customer satisfaction, to follow government policy, to establish strategic business plan, monitor and evaluation of business performance. Apart from this, organization, operating in secured environment, access to trainings and then forming joint ventures have seen as important to promote growth. The relationship between dependent and independent variable is shown as follow:

Figure 1: Conceptual framework

Figure 2.1: Conceptual framework for understanding the relationship between Umwalimu Sacco and socio-economic development of teachers in Rwanda.



Source: MC Cleland (2007), Greg P (2007) and modified by the researcher

II. MATERIALS AND METHODS

The ethnicity variable in this study was based on the sample of the population living in Gasabo District, Kigali-Rwanda, which were the target groups. The study also had a sample of individual's teachers. The participation in the study was voluntary and anonymous. The research designs of this study was applied Qualitative approach as systematic subject approach used to describe life experiences and give meaning with a goal of gaining insight; explore the depth, richness, and inherent complexity in assessing the impact of Umwalimu Sacco on socio-economic development of teachers in Rwanda.

The qualitative paradigm and its related epistemological and social dimension; Denzin and Lincoln (1998).

According to Denzin and Lincoln (1998), qualitative research involves an interpretative naturalistic approach, as things are studied in their natural settings. For this reason the research on examining the contribution of impact of Umwalimu Sacco on socio-economic development of teachers in Rwanda.

has been undertaken qualitatively. The research was undertake comprehensive review of literature on Umwalimu Sacco as well as socio-economic development of teachers in Rwanda.

The definition of qualitative research is expanded by Tutty, Rothery and Grinnell (1996), who describe qualitative research as “the study of people in their natural environments as they go about their daily lives”. Qualitative research method will enable the researcher to interact with people that work in the air transport industry as part of their daily lives of work. It is critical for the researcher to be objective.

The researcher selected the qualitative paradigm as a research design suitable for the conduct of this research given that critical thinking is a concept that is open to different interpretations. Some of the advantages of this research design are that qualitative researchers use a variety of methods to collect data, and this includes; questionnaire, case study, grounded theory and review of related literature as well as content and textual analysis. (Hesse, B. 2011). These methods are also relevant in assessing the contribution of Rwanda's foreign policy on its economic development.

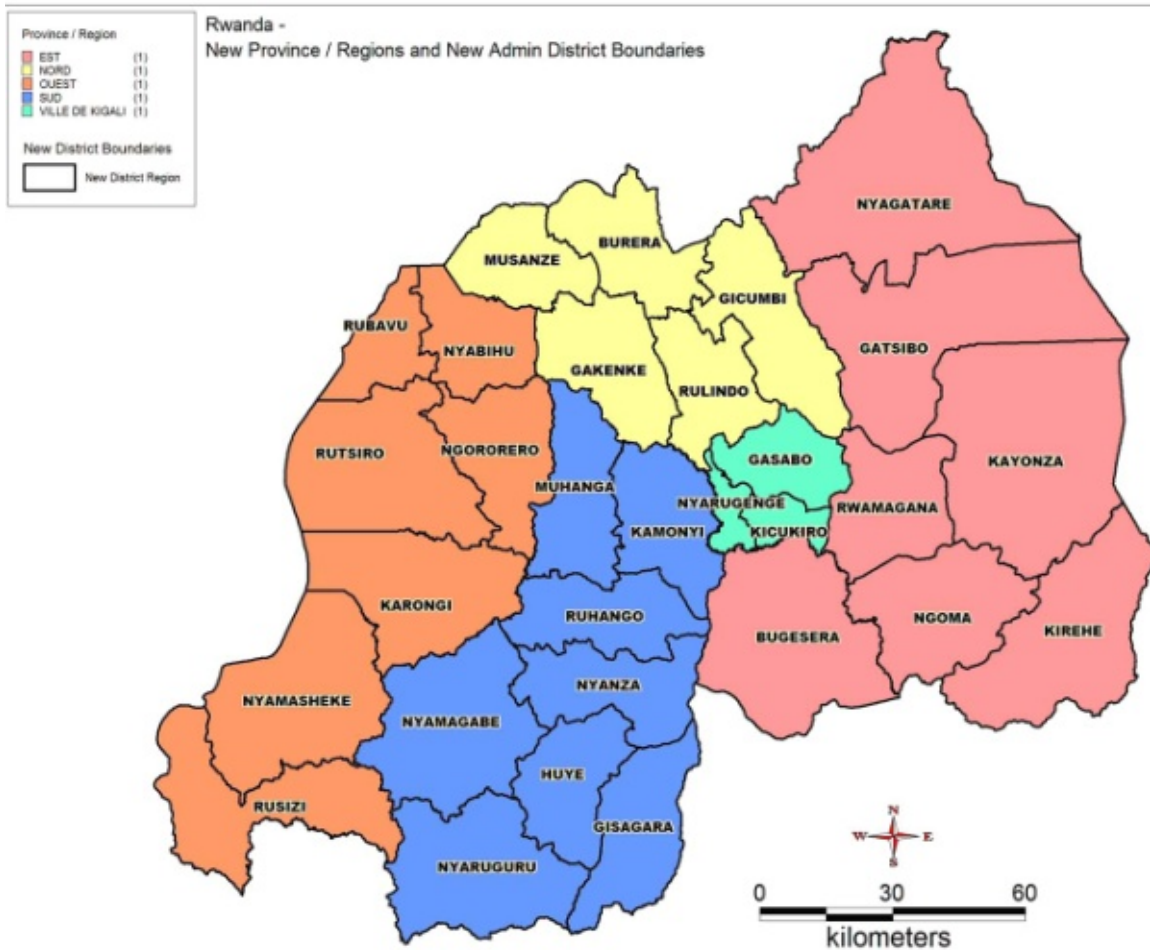
Ultimately the researcher has used the following qualitative research strategies;

- (i) Comprehensive review of literature of on Umwalimu Sacco and welfare of teachers in Rwanda.
- Primary data collection by using questionnaire on key officials from the selected institutions

Area of study

The study shall be conducted in Rwanda with the Population study of Gasabo District

Figure 2: Map of Rwanda



Population, Sample size and Sampling technique

The Population study focused on the officials of the Umwalimu Sacco; Teachers of the Primary Teachers, Teachers of Secondly and officials of the Gasabo District.

Sample size

Kothari, C. R. (2004) pointed out that sample design is a definite plan for obtaining a sample from a given population.

Because of limited time and resources, the researcher could not be able to study the whole population; it is from that point of view that the researcher had to determine the sample size to represent the whole population. This sample was taken referring to the formula proposed by Alain Bouchard. For that, when the entire population is inferior than one million (1000,000), the sample size correspond to 96 persons and 10% as significance level of error (Bouchard, A. 1984).

Perriens, G. (1974), explains how to find the number 96 as the sample size to represent the whole population:

n : Sample size for infinite (or large) population

P : Expected probability of individual to be included in the sample

Q : failure (probability of individual to be excluded in the sample, 1-p)

d : Significance level of the error

Zα: Normally distributed value of the population (Represents the 95% of the confidence interval)

$$n = \frac{(Z\alpha)^2 \times P \times Q}{d^2}$$

Where :

$$Z\alpha = 1.96$$

$$P = 0.5$$

$$Q = 0.5$$

$$D = 1\%$$

$$\frac{(1.96)^2 \times 0.5 \times 0.5}{0.1^2}$$

$$*n = \frac{0.1^2}{0.1^2} = 96$$

For this 96 is found

$$NC = \frac{N \times n}{N + n} \text{ (NC : Corrected sample)}$$

N : The total finite population in which the sample is taken, correspond to 1276 teachers in Umwalimusacco Head Office Branch.

$$NC = \frac{1276 \times 96}{1276 + 96} = \frac{122496}{1372} = 89.2827 \sim 90$$

A total of 90 respondents out of 1276 of Primary and Secondary Teachers members of Umwalimu Sacco in Gasabo, officials of the Gasabo District, Officials of 15 Sectors of Gasabo.

Data Analyses

In order to summarize and describe data, descriptive statistics were used. An ANOVA was used to compare these three groups. The ANOVA test was used to reveal which, if any, of these groups statistically significantly outperforms the others. It allowed the researcher to find whether there is a significant difference in organizational citizenship behavior and ethnicity using an Alpha level or level of significance of 0.05.

III. RESULTS AND DISCUSSION

The main hypothesis of this study was that Umwalimu Sacco was impacted a lot on socio-welfare of Teachers in

Rwanda. It was based on the views that differences in beneficials and managers of Umwalimu Sacco’s perception on the socio-economic development of teachers in Rwanda.

The impact was linked with whether in the absence of salary increment that teachers should continue to ameliorate their conditions of living as a result of accumulated savings and acquisition of loans for the income generating activities. The discussion shows that Umwalimu Sacco is a viable project which should continue to serve the purpose for which it has been established.

Part I: Socio-demographic information

This section includes gender, age, and marital status, level of education and experience of respondents.

Sex

The aim of this specific investigation by the researcher is to find out extent to which female teachers have responded to the initiative to improve their welfare because the government policy is to create awareness about gender balance in all activities.

Table 1: Distribution of respondents by sex

Sex	Number of respondents	Percentage (%)
Male	58	64
Female	32	36
Total	90	100

Source : Primary Data

Observation: From the table above, the percentage above shows that male have been put forefront by the agency at 64%, this means that male teachers are more engaged towards credit and saving services more than women teachers whose rate is 36%. Again, the researcher analyzed the sex composition of the respondents which is indicated in the above table and it is shown that the number of male respondents were bigger than women respondents.

This does not explain that the female were not much involved in income generation activities compared to the male. The proportion of female is still lower than those of males because initially the cultural mentality was that it should be men

to be involved in income generating activities, but the mentality is changing at very fast rate. Regarding how Uwalimu Sacco affects teachers’ income, female and male are all affected even the table shows that male are more than women, there is of course the evidence that household composed by two teachers credit is undersigned to the man as household leader.

Age

The aim is to find out whether age has effects on individuals that would like to take the risk at venturing into investment activities while still working within the teaching profession in Rwanda.

Table 2 : Distribution of respondents by Age group

Age	Number of respondents	Percentage (%)
Between 21 and 30 yearold	38	42.2
Between 31 and 40 yearold	36	40.0
Between 41 and 50 yearold	11	12.2
Above 50 yearold	5	5.6
Total	90	100.0

Source: Primary Data

Observation: The table 2 above indicates that the majority (42.2%) of respondents as Umwalimu Sacco members are between 21 and 30 years old. This means that the majority of Umwalimu Sacco members are young. When we tried to analyze the situation above, we noticed that the category of teachers between 21-30 ages is very active and that are those who ask loan to finance activities that provide additional income in order to get their own households especially mortgage loan. As long as the level of age increase, the level of being engaged in

supplemental activities other than teaching diminishes especially physical weaknesses that prevent them to do income generation activities.

Marital status

The aim of this specific investigation is to access the category of teachers that are eager to exploit the opportunities offered by Umwalimu Sacco to improve their welfare other than always relying on the salary.

Table 3: Distribution of Respondents by marital status

Marital Status	Number of Respondents	Percentage (%)
Single	46	51.1
Married	39	43.3
Divorced	1	1.1
Widow/Widower	4	4.4
Total	90	100.0

Source : Primary Data

Observation: The fact that 51.1% of respondents are single compared to 43.3% who are married indicates that all categories of teachers are eager to exploit the opportunities offered by USACCO to engage in socio- economic and other welfare

development. The very low percentage of divorcees and widows simply shows that they are either few in teaching profession or have not yet become members of the Cooperative USACCO.

Educationallevel

Table 4: Distribution of respondents by level of teaching

Source: Primary Data

Education Level	Number of Respondents	Percentage (%)
PrimaryLevel	59	65.6
SecondaryLevel	31	34.4
Total	90	100.0

Observation: Table 4 indicates that 65.6% of respondents being primary teachers mean that their percentage in the teaching profession is higher than those of secondary teachers and a big number has responded very positively towards becoming members of Umwalimu Sacco in order to access loans for their social economic development. However, according to

Umwalimusacco management through interview, secondary school teachers save greater amount of money than primary school teachers because 5% of their higher monthly salaries give them an advantage of accessing bigger loans because of the capacity to pay back monthly.

Experience in teaching

Table 5: Distribution of Respondents by experience in teaching profession

Experience in teaching	Number of Respondents	Percentage (%)
Between 1 to 5 years	39	43.3
Between 5 to 10 years	31	34.4
Between 10 to 20 years	16	17.8
Over 20 years	4	4.4
Total	90	100.0%

Source: Primary Data

Observation:The table 5 indicates that the teachers with experience of less than five years in Umwamu Sacco durable future opportunities as their source of fund to venture into business generating activities to address their needs compared

with those with more than ten years' experience who have been members of other microfinance institutions still paying back loans they had before the existence of Umwalimu Sacco.

Part. B. Responses according to the specific Objectives

Section A. To assesses the contribution of saving on Umwalimu Sacco of teachers in Rwanda.

which increases the socio-economic development

Table 6: Members' personal savings

Response	No of Respondents	Percentage (%)
Yes	90	90
No	0	0
Total	90	100.0

Source: Primary Data

Observation: The table 6 shows that all respondents who are members do savings as at the beginning saving was an obligation and made compulsory by employers deducting 5% of the net pay for every teacher in government schools and later

teachers themselves started asking to have their saving increased because they realized how useful the savings would be in the near future. They also motivated by the fact that when they want to acquire a loan, the level of their saving is based on.

Table 7: Savings permanent Membership

Permanent Savings	No of Respondents	Percentage (%)
Between 2000frw and 5000Frw	65	72.2
Between 5000frw and 10,000Frw	19	21.1
Above 10,000	6	6.6
Total	90	100.0

Source: Primary data

Observation: Table 7 indicates that 72.2% of respondents save between Frw 2000 and Frw 5000, because majority of them as members are primary school teachers who earn less salaries than their secondary school counterparts and since their monthly deductions for savings is 5% of their net pay or Frw 2000 for those where 5% is less than 2000Frw, because Frw 2000 is the minimum on individual can save monthly.

Improvement in the level of saving Economic theory predicts that the absolute amount of saving will increase with income. This is because people with more income have more resources available to save. Theory also predicts that saving is relative to income, the savings rate, will increase with income (Deaton,1992 b).

Table8: Comparison of the level of saving before and after being member of Umwalimusacco

Source: Primary Data

Response	Number of Respondents (before)	(%)	Response	Number of Respondents(After)	(%)
Yes	52	57.7	Yes	68	75.5
No	38	42.2	No	22	24.4
Total	90			90	100.0

Observation: As shown in the table8, respondents who accepted that they saved before working with UmwalimuSacco are on average of 57.7% whereas after working with Umwalimu Sacco, the rate increase on the average of 75.5%. The rate of

respondents who said that they didn't save before working with Umwalimu Sacco and that still don't save or start saving after working with it has gradually decreased from 42.2% to 24.4% of the respondents.

Generally, the majority of respondents confirmed that working the Cooperative Umwalimu Sacco has raised or changed remarkably the level of their savings. Once saving increased, as determinant of income, it is positively related to the income increase. This shows us that additional source of income has been available for teachers through the Cooperative Umwalimu Sacco services.

Section B. To examine the loan/credit provided by Umwalimu Sacco that increases the socio welfare of Rwandan teachers

The intention of the research was to find out if credit distributed are oriented in activities that generate additional teachers' income for further measurement of benefits incurred in monetary terms, and it is absolutely no doubt that, profit gained is supplemental income for teachers apart from salary and it is one way of improving the teachers' welfare.

Table 9: Beneficiaries of loans

Response	Number of Respondents	Percentage (%)
Acquired loans in Umwalimu Sacco	77	85.5
Did not benefited loans	13	14.5
Total	90	100.0

Source: Primary Data

Observation: Findings in the table 9 shows that bigger proportion (85.5%) of the respondents are on the way towards improvement of their social economic development as a result of loan collections. The remaining (14.5%) who say that they have not yet got loans is because the issuing of loans is in phases since all teachers cannot be considered at the same time. This

impressive big number of members who have taken a loan is motivated by many factors among which the interest rate which is lower than that for commercial banks and other microfinances. Umwalimu Sacco lending rate between 11% and 14% is quite competitive compared to market rate of between 18% and 22%.

Table 10: Credit distribution according to respondents

Amount of loan (in Frw)	Number of Respondents	Percentage (%)
Below 200,000	11	14.3
Between 200,000 and 1000,000	34	44.2
Between 1000,000 and 5000,000	13	16.9
Between 5000,000 and 10,000,000	16	20.8
Above 10,000,000	3	3.9
Total	77	100.0

Source : Primary Data

Observation: Table 10 indicates that 44.2% of respondents got loans between Frw 200,000 and Frw 1000,000 because Umwalimu Sacco started with short term loans against members' savings as loan security. It is an interval that includes the amount of money accessed by many teachers considering salary without taking into account other collateral. The amount of loan would not exceed eight times the individual net salary which was still very low. Members required loans for the satisfaction of urgent basic needs to help them fight daily financial difficulties.

Long term loans mainly started in the year 2013 especially for heavy business and investment that lead to heavy benefits generating income and for mortgages.

The significant process by which financial services are conceived as increasing income is by the provision of income generating loans. The aim of this research is to find out whether income has increased through loan oriented activities generating income that are financed by Umwalimu Sacco Cooperative.

Table 11: Distribution by respondents he activities financed by Umwalimu Sacco

Activity	Number of Respondents	Percentage (%)
Buying equipment	7	10.0
Small commercial business	23	28.9
Agricultural and livestock	11	12.2

Payingschoolfees	19	23.3
Mortgage	14	22.2
Other	3	3.3
Total	77	100.0

Source : Primary Data

Observation: Table 11 shows that most of respondents (45.5%) = (23.3%+22.2%) said that buying and building houses (mortgage) and paying school fees were the most urgent. This means that most teachers had been incapable of addressing the basic needs for the families and Umwalimu Sacco came as a solution to the problem. This helps them afford the purchase of food as their highest expenditure, paying school fees and other. According to respondents, some teachers borrow money for their own studies to acquire education level especially those with A2 level. This has medium term effects on their income because the salary increases as the educational level also increases. Others use that money for their children education and this will affect their household income in long term trend. As the majority of teachers are still young persons, they are more interested in building houses especially with expectation of their own further household whereas others are reconstructing them.

The table also depicts that 28.9% of respondents are engaged in business projects. The reason which pushes teachers through small business is that these commercial activities are more benefitable even though it is more difficult to associate

them with teaching. For this reason, to invest in these incomes generating projects have created job opportunities to their family members and the community at large. It is worth noting that 28.9% of respondents indicate that they have taken a step further in venturing into money making business which is what Umwalimu Sacco is encouraging, to create wealth and fight poverty.

According to focus group, education and marriage loans are also among the desired products as expressed by respondents as many of them are still young.

Therefore, basing on the interpretation of activities financed, it is consistent with our objective of assessing the impact of Umwalimu Sacco on increasing the welfare of Rwandan teachers. This somehow contributes to the teachers' welfare.

Asking this question, the researcher wanted to know to which extend loan distributed among teachers have been repaid as a step oriented to the net interest incurred. The net interest helped the researcher to know how UmwalimuSacco has affected teacher financially.

Table 12 : Weather loan is repaid or still repaying

Repayment	Number of Respondents	Percentage (%)
Just repaid	36	46.8
Stillrepaying	41	53.2
Total	77	100.0

Source: Primary Data

Observation:It can be observed those loans which are still being repaid are on the average of 53.2% higher than those which are just repaid on the average of 46.8%. The results from respondents in the table 12 show that delinquencies and loan portfolios at risk are minimal. No respondent has mentioned that

he/she didn't get possibility of repaying the loan at the time due. It is here that the first limitation of the research started to occur and it has been demonstrated that the research is now oriented to those who have just paid the loan borrowed.

Utility function from the loan according to respondents

Table13: Respondents data about the advantages acquired

Extra monthlyincome (Frw)	Number of Respondents	Percentage (%)
Increaseasset	30	38.9
Increasefamily nutrition	34	44.2
Improvedsavings	13	16.9
None	0	0.0
Total	77	100.0

Source: Primary Data

Observation: Of course, because the utility theory underlying models of consumption expenditures involves quantities consumed, empirical analysis have generally related measures of spending on consumption to measures of income.

In this paper, we draw attention to nutrition aspect of teachers, but relatively to the level of income. In table 13, it is revealed that 38.9% of respondents asserted that the Cooperative Umwalimu Sacco through loans oriented activities generating income affect positively their household assets and nutritional standards. It is realistic to expect nutritional improvement as a result of income increase at a level of 44.2% and many of the respondents (38.95) acquired their own houses.

Holding different types of asset vary systematically with the income levels of individuals (Thomas R. et al. 1956). Increase in assets was estimated by asking the respondent about all of the economically active members of their household and the money or product generated in activities they are engaged in, that results in buying assets.

The table 13 shows that 16.9% of respondents save as a result of benefits incurred from their planned projects to which

they invested money from the loan. No respondent has mentioned that he/she got loan for nothing.

Teachers view on the statement that the living condition has changed. Table14: The rating of living conditions of members.

Source: Primary Data

Observation:The table 14 reveals that the majority of the respondents gave a positive answer showing that their income changed by increasing after joining Umwalimu Sacco. They asserted that Umwalimu Sacco has enabled them for coping with emergency. Over 85% of the respondents acknowledged an improvement in their living conditions. Generally, Umwalimu Sacco services led to improved welfare; 38.8% of respondents indicated very good living conditions and 47.7% said that they were satisfied with their living conditions.

Result from Umwalimu Sacco Management as source of information by interview and documents.

Table15: Membership and Savings trends

Source: Secondary data/Umwalimu Sacco report 2015

Description	Dec. 2012	Dec. 2013	31/12/2014	31/05/2015
Members	62,117	70,777	75,746	74,285
Permanent savings	5,413,396,478	7,287,478,911	9,257,547,242	10,021,728,748
Free savings	1,297,912,439	4,887,143,468	7,053,153,402	7,506,597,507

Rate	Number of Respondents	Percentage (%)
Very good	35	38.8
Good	43	47.7
The same	12	13.3
Deteriorated	0	0.0
Total	90	100.0

Observation: The table 15 shows the positive trends according to the documentation given by some of Umwalimusacco management members and this is due to vigorous campaigns done by Umwalimu Sacco leaders in different administrative structures. Teachers joined the cooperative in masse because of anticipated benefits of low interest rate between 11% and 14%; but also because of non-financial services offered by Umwalimu Sacco which include funeral mut

ual funds, credit solidarity funds, business training and advisory services to help members to develop and manage profitable business projects.

The research result indicates that Umwalimu Sacco finances a widerange of business projects namely: Education, Livestock, Agriculture, Construction Small business and others. The table below shows the variety of business and the amount of loans going into each type of business project by Umwalimu Sacco members in all the branches (30 branches) by the end of May/2015.

Table16: Loan granted per activity sector
Source: Secondary data/Umwalimu Sacco report of 2015

Number and amount of loans	Dec. 2012	Dec. 2013	31/12/2014	31/05/2015
Number of loans/Agriculture	Cases: 1520	Cases: 2169	2,544 cases	3,467
Amount (Rwf)	650,449,163	1,323,408,699	1,691,829,459	1,995,489,358
Number of loans/livestock	cases: 2481	2841 cases	3,223 cases	3,364 cases
Amount (Rwf)	1,144,657,841	1,542,983,941	1,693,728,759	1,868,941,439
Number of loans/construction	Cases: 18,994	24,819 cases	29,347 cases	30,281 cases
Amount (Rwf)	12,237,603,920	21,437,266,428	30,450,598,754	32,292,274,296
Number of loans/School fees	Cases: 49,889	53,140 cases	55,141 cases	55,659 cases
Amount (Rwf)	5,632,226,657	7,378,506,888	8,629,630,524	8,980,126,960
Otherloans (small business)	Cases: 187,242	302,002 Cases	548,211 cases	660,090 cases
Amount (Rwf)	18,478,423,706	26,234,342,958	40,994,114,284	49,105,205,050

Obseration: The findings in table16, indicate extent of participation of teachers in country’s economic development, employment and poverty reduction. To distribute Frw49, 105,205,050to 74,285 members can be described as one of the most successful achievement (it is deducted that a teacher can benefit more than one loan). The implication of this is that the status of teaching profession can be raised even above other professions. This emphasizes the role of Umwalimu Sacco in teachers’ retention and so to improve the quality of education in Rwanda.

The study intention was to assess the impact of Umwalimu Sacco microfinance saving and credit cooperative on increasing socio welfare of Rwandan Teachers. The analysis was made depending on Umwalimu Sacco documents that were analyzed and responses got from the respondents about the opinion that Umwalimu Sacco has improved the teachers’ welfare. The eighty five percent (85%) of the respondent revealed that the Cooperative Umwalimu Sacco has increased teachers income as indicated in table13. They confirmed this by saying that Umwalimu Sacco grant loan that helped them to be engaged in small activities generating income apart from teaching.

Additional justification to the effects of Cooperative Umwalimu Sacco on increasing the teachers’ welfare also indicated that 75.5% of the total respondents has increased and started saving after working with Umwalimu Sacco as indicated

in table12.Table17 also justifies that credits distributed are effective since it is evaluated to be very good as far as concrete effects are concerned.

All in all, a big percentage of the respondents associated credit in Umwalimu Sacco as effective strategy to increase their additional sources of income. Generally, UmwalimuSacco services led to improved welfare of its members.

IV. CONCLUSIONS

Wages alone will never satisfactorily address the needs of teachers unless other wealth creation initiatives and innovations are supported. Umwalimu Sacco was established not only for credit schemes but also to enforce the culture of saving because cumulatively, it is to cater for ones future and to ensure the security of money against theft, disasters and even extravagancy when money is kept in homesteads or hidden in other funny places like gardens and plantations.

Teachers have to be above poverty line by increasing their income so as to acquire minimum standard of living and to be accorded the respect they deserve because they are role models in the community and agents of fighting poverty, ignorance and disease and to educate future leaders and entrepreneurs.

Umalimu Sacco is contributing to teacher retention, effective curriculum instruction in schools and is causing

multiplier effects in the community through business interactions and joint ventures with the community. The government of Rwanda has been visionary by injecting direct financial assistance as a startup capital to provide infrastructure and to meet initial operating costs.

Basing on the positive effects of Umwalimu Sacco indicated by the respondents, and which are directly related to the income increase, it goes with no doubt that Sacco Umwalimu has come at a time when it was needed most both by the government to solve the problem of low wages and by the teachers to address their socio- economic problems.

V. RECOMMENDATIONS

In order to strengthen the strategies of promoting Rwandan teachers, the researcher recommend the following:

There is a need for Umwalimusacco to sensitize its members to have a culture of savings because there is a low level of deposits compared to withdrawals made in their day to day operations since almost all deposit and members' salaries are immediately withdrawn leaving their accounts at zero balance. The saving is a factor which qualifies a member to have a big loan.

Umwalimu Sacco should strengthen and develop new savings and loan products for the youth (as they are the majority) with the aim of motivating them to save with Umwalimu Sacco including but not limited to education, marriage and household assets loans. For married, there is a need to develop new product that respond to their household needs such as saving for secondary schools, university education, clothing, and nutrition needs through strengthening agriculture loan strategies to boost food security.

There should also be promotion of group saving at schools level which can managed through Umwalimu Sacco current account as well as develop policies that offer incentives which motivate members to save more with Umwalimu Sacco including offering remuneration according to the volume of savings on long term deposits and competitive interest rate on savings.

These strategies will result in increased financial capacity and growth of the loan portfolio, increased self-sufficiency with decreased over reliance on government subsidies and increased access to Umwalimu Sacco products and services by members as well as increased income.

Umwalimu Sacco needs to put more effort on financing of benefits project loans and discouraging the emergency and overdraft loans which are taken by the majority of members, it will lead to improved members' welfare. For this, Umwalimu Sacco should sensitize members on the benefits of income generating loans shifting from emergency and construction as well as other consumer loans by settling for medium term loans and invest in IGAs for quick return.

As far as non-financial services are concerned, members' big skills gap in entrepreneurship is a challenge. Strategies to regularly train individual members in entrepreneurship skills mainly in business plan writing, business management, and ICT skills development are needed for the growth of business loan portfolio, increased profitability of businesses and increased income.

To teachers, there is a need to participate in lending programs because it has been shown that it may result in the diversification of one's income. The teachers who were engaged in supplemental activities resulting an additional income apart from salaries indicate that diversification of income lending programs may be an effective strategy to increase their sources of income.

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